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Canadian agencies invade the U.S. - International section, Page 57

Retail marketing: Vying for the sharper shopper - Page M-9

Charlie Brower looks back - Page M-34

Advertising Age

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Photo by Bill Stahl

At a presentation to lure Louisiana World Exposition sponsors, the Pelican mascot is flanked by fair vp-marketing Jeffrey Stack and Ted Bates Advertising/New York's vp-corporate communications Jeanne Delsener.

Whitehall Labs plans major painkiller effort

By NANCY GIGES

American Home Products, continuing its search for a painkiller to combat market leader Tylenol, is preparing plans for over-the-counter sales of the country's biggest-selling prescription remedy for arthritis.

The drug is ibuprofen, which AHP's Whitehall Laboratories has been licensed to sell over the counter in the U.S. by Boots Co., a British company that holds the worldwide patent on the drug. AHP plans to call the new product Advil and sell it in 200mg tablets, about half the strength in which it is sold under prescription.

AHP must obtain Food & Drug Administration approval. It will state its case before the FDA's arthritis advisory committee on Aug. 18 and 19, along with Upjohn Co., another Boots licensee that apparently plans otc sales of ibuprofen. Upjohn sells ibuprofen in the U.S. as a prescription drug called Motrin.

FDA approval would have broad implications not only for the $1.2 billion otc analgesic market, but for the nonsteroidal antiarthritic prescription drug business, which also may have annual sales of about $1.2 billion. Ibuprofen belongs to the nonsteroidal family, a class of drugs often prescribed for mild to moderate pain caused by a number of conditions.

More importantly for AHP, approval might mean that it finally would have found a formidable competitor to Johnson & Johnson's Tylenol, which unseated AHP's Anacin as the top-selling painkiller soon after entering the mass market in the 1970s. Tylenol has a commanding 30% share of the analgesic market, to No.

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Net as percentage of billings up in '82

Agency profits hold up

NEW YORK—The American Assn. of Advertising Agencies says its member agencies weathered the 1982 recession better than they survived the less severe one in 1974.

Last year, as the recession took its toll on the nation's economy, net profits after taxes for incorporated agencies averaged 3.45% of gross income, according to the Four A's latest study of members' costs and profits. A year earlier, net profits after taxes averaged 3.55%.

The decrease in '82 was attributed chiefly to higher rent and insurance for employe benefits. But net profit as a percentage of billings averaged 0.85% last year, up 2.4% from the 1981 average of 0.83%. Noting that the the best of the last 10 years for agency performance was in 1979, when net profit as a percentage of billings for incorporated agencies reached 1.03%, Leonard Matthews, Four A's president, commented: "The good news is that net profit dropped only to 0.83% in 1981, early in the recession, whereas it dropped to 0.65% in the recession of 1974. We feel that agencies have fared better in what has been, for many businesses, a more severe recession."

The net profit for all agencies in the survey—incorporated and unincorporated— showed a slight rise in 1982. But the Four A's said that, because of different tax regulations applying to unincorporated businesses, it prefers to concentrate on the incorporated agency profit averages. Incorporated agencies ac-

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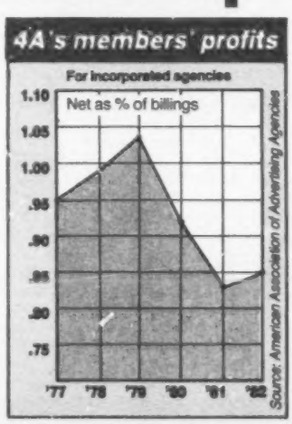

New Orleans fair tells execs: Step right up

By JEREMY FEIGELSON

NEW YORK—New Orleans will play host to next year's World's Fair, and the World's Fair wants to play host to big-name corporate sponsors.

So fair officials came here last week to play host to ad executives, who can persuade their clients to buy a stake in the event.

"When you measure the fair against the traditional forms of advertising, we're very competitive on a cost-per-thousand basis. We feel we have an excellent product," said Jeffrey Stack, fair vp-marketing, before his presentation at the Grand Hyatt Hotel last week.

Corporate sponsors already lined up include Delta Air Lines, Coca-

(Continued on Page 84)

Mahoney-less ads ready

By ROBERT RAISSMAN

Esmark Inc.'s sweetened offer for Norton Simon Inc. apparently has locked up its takeover of the New York-based conglomerate. It has also led to the expected resignation of NSI chairman David J. Mahoney.

Mr. Mahoney, in London when his resignation was announced, gets up to $12 million to cover the five years remaining on his contract, plus another $23.5 million from stock options and other bonuses covered in the agreement hammered out between the two companies.

In a statement, Mr. Mahoney, who had been the very visible advertising spokesman for NSI's Avis unit, said he would continue to remain active in the business community and would "continue to work to advance the public policy and charitable causes to which I have long been committed; better healthcare, helping disadvantaged youth, good government and promoting equal opportunity for all men and women."

Having put in several weeks of hard work, McCaffrey & McCall, agency for Avis, is likely to be on the air with a replacement campaign early in August, sources said. The agency has been working on several campaigns which did not include Mr. Mahoney, who became the company's spokesman in May, 1982. Avis execs declined to specify when the new Avis campaign would break or what it would say. In actuality, Mr. Mahoney's role as spokesman ended late June when the NSI board decided to accept Esmark's bid.

Hertz is also scheduled to break a

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NEWSPAPER

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CONGRESSIONAL INFO SERVICE
SP I ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

last minute news

Equitable Life taps D'Arcy for $10 million drive

NEW YORK—The Equitable Life Assurance Society of the U.S. has appointed D'Arcy-MacManus & Masius to handle a new corporate-image campaign with a $10 million to $12 million ad budget. D'Arcy beat out Benton & Bowles, the other finalist. There is no previous agency.

ABC, NBC upfront buys top $1.2 billion so far

NEW YORK—ABC-TV and NBC-TV reported closing last Friday with more than $600 million each in upfront sales for the 1983-84 broadcast season. CBS-TV has not released its upfront sales figures. The upfront market pace, running a week ahead of last year, is expected to conclude by this weekend. The daytime upfront sales pace also has quickened, with ABC-TV reporting more than $200 million in sales. ABC-TV also reports total network tv spending appears to be 12% higher than last year, with upfront prices ranging 10% to 14% above those in 1982-83.

Mantle goes to bat for Timesaver in campaign

NEW YORK—Timesaver, marketer of Visa and MasterCard, breaks a $10 million campaign in September with baseball's Mickey Mantle as spokes-

(Continued on Page 8)

Barclay judge questions FTC tests

By RICHARD L. GORDON

WASHINGTON—The federal judge who will pass on Barclay's ultralow-tar ad claims said last week he also wonders whether the whole Federal Trade Commission testing procedure is so faulty it perpetuates an industrywide deception.

U.S. district court Judge Gerhard Gesell's comments came July 21, after a Brown & Williamson attorney called his attention to new research, reported that day on the front page of the *Washington Post*. The report, published in the *New England Journal of Medicine*, contended that FTC's nicotine ratings for all brands of cigarets are "misleading," because there is no correlation with the actual amount of nicotine delivered.

Judge Gesell, who said the story had been "all over the [tv] news" the night before, was given a copy of the article by B&W lawyers.

Later, Brown & Williamson lost the first legal skirmish in the case when the judge ordered four days of hearings, beginning Sept. 12, to decide whether a preliminary injunction halting Barclay's 1mg tar/99% tar-free claims is justified.

B&W, which has fought off FTC action against Barclay for more than a year, had hoped to delay the case at least until November, when a full trial on the issues could be scheduled.

FTC contends that while Barclay delivers 1mg tar on its testing machine, tar levels actually delivered to smokers are much higher—perhaps 3mgs to 7mgs because smokers routinely crush critical air vents used in Barclay's filter design.

The air provided through the vents dilutes the smoke, lowering the amounts of tar and nicotine delivered.

While only Barclay's tar claims technically are at issue, Judge Gesell told FTC lawyers he wanted a precise explanation of how Barclay's 1mg claim was deceptive.

"It does seem to me that if all the other cigarets that meet [FTC's] test don't actually gauge the tar delivered," he said, "then what we're engaged in is an 'industry deception.'"

A B&W lawyer contended FTC has no basis for asserting that there is an important "public health interest" in stopping the 1mg claim, citing a lack of data showing a 1mg cigaret is more harmful than a 3mg cigaret.

The judge brushed the contention aside as "an argument I won't accept. . .You obviously think 1mg is a vital part of your merchandising campaign." The B&W attorney conceded that many smokers do believe that low-tar cigarets are "better" than high-tar cigarets.

Just how Judge Gesell, an outspoken jurist, rates FTC's 16-year-old cigaret rating system is likely to have considerable impact on the commission's own consideration of a possible overhaul, a senior FTC official said.

Should the judge be broadly critical of the

(Continued on Page 84)

This ad rough, says agency Durfee & Solow, was speculatively shown in 1982 to Liggett & Myers, which is now producing Dallas Super Lights (right) for British-based London Tobacco Co.

New kink in cigaret caper

By JOHN J. O'CONNOR

NEW YORK—The second chapter in the deepening Dallas cigaret mystery began to unfold last week aboard a jet carrying agency executives Marty Solow and Jim Durfee to Cleveland on business.

As Mr. Solow turned to the second page of the July 18 issue of ADVERTISING AGE, he was startled to read that Liggett & Myers Tobacco had played a hand in helping London Tobacco Co. get packs of Dallas Super Lights into several retail outlets here as part of an apparent trademark registration procedure.

Mr. Solow and Mr. Durfee, principals in the Durfee & Solow agency here, had good reason to stare at each other in disbelief. On April 14, 1982—they remembered only too well—they had traveled to Durham, N.C., to meet with three L&M execs. The purpose of the visit: To present speculative proposals and rough ads for two cigarets, one of them named Dallas.

They maintained that the Dallas name was a way to convey to smokers the image of the modern cowboy in a powerful, macho but urbane way. And, they argued, the ruboff from the hit CBS tv series of the same name might also prove to be beneficial.

Back in his office late last week, Mr. Solow recalled, "They kept our proposal for many months until we asked them to please return it. They seemed to be un-

(Continued on Page 84)

Magazines hit in 'slavery' suit

By STUART J. ELLIOTT

NEW YORK—A dozen major publishers are being sued, along with four field subscription agencies, in the latest attack on the traveling-crew method of selling magazines.

These operations are "serving only the financial greed of the magazine publishing industry," according to a suit filed in U.S. district court here, as they allegedly involve "a pattern of racketeering activity" with "cult-like groups of youth" peddling magazines via "deceptive sales techniques."

The suit, filed on behalf of five persons aged 19 to 23 who claim they were virtual slaves of the agencies, seeks punitive and compensatory damages that could amount to $100 million.

"The various publisher defendants all have actual knowledge of this scheme," the suit charges, "and have permitted it to continue, in order to generate increased circulation for their magazines."

Named in the suit are these publishers: ABC Cos., Atlantic Monthly Inc., CBS Inc., Esquire Associates, Hearst Corp., Johnson Publishing Co., McCall Publishing Co., New York Times Co., Petersen Publishing Co., Times Mirror Co., Triangle Publications and Ziff-Davis Publishing Co. All are based, or have sales offices, in New York.

"There is no real basis for the involvement of the publishers in the suit," said Alison Anthoine, assistant general counsel for Ziff-Davis. ABC, Atlantic, CBS and New York Times Co. declined comment because a pending legal matter is involved.

The agencies named as defendants are Circulation Builders of America, Arlington, Tex.; National Circulating Co., Gettysburg, Pa., and North American Book Sales and Solar Circulation, both Michigan City, Ind. Also named are their owners and employes. They have, according to the suit, "lured thou-

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highlights

Monday, July 25, 1983

Network tv audience fragmentation? Analysts are seeing too many fragments in the crystal ball to venture firm forecasts about the trend. *See Page 6.*

Marketing & Research Counselors has agreed in principle to purchase Trendex, the Westport, Conn.-based survey research subsidiary of IMS International. *See Page 12.*

Needham, Harper & Steers has hired Avon's Elizabeth Phillips to head its Events Marketing unit. *See Page 14.*

Tennis racquet marketers are increasing their ad budgets dramatically as they volley for the No. 1 spot. *See Page 20.*

Off-price retailing is getting tough in its challenge to full-price department and specialty stores with the debut of upscale shopping malls. *See Page 33.*

Dorothy Lyman, who portrays Opal Gardner on "All My Children," has found fame as a soap opera star after indifferent success in tv commercials. *See Page 36.*

Tatham-Laird & Kudner has added four new clients and six major brand assignments to its roster, moving the Chicago agency into the "big leagues." *See Page 42.*

Household product marketers are missing a segment of their target audience by ignoring men, a new study finds. *See Page 47.*

Thematic display sections are growing in popularity at the retail and licensing ends, with "Snoopy," "Superman III" and "Disney Holiday Shoppe" the latest entries. *See Page 48.*

Group W last week officially launched Spotnet, a satellite-delivered commercial distribution system that the company hopes will feed advertising revenues to its Satellite News Channel. *See Page 60.*

Wendy's International has been unable to shake rumors that it is planning to consolidate its local agency work for the 40 Areas of Dominant Influence. *See Page 80.*

Helena Rubinstein pulls back some more by withdrawing its Beaute cosmetics line from U.S. department stores, but management insists it's not looking to further shrink the company. *See Page 80.*

Young & Rubicam/Dentsu is studying whether to open its first European agency, and is eyeing Germany as the most likely location. *See Page 87.*

CORPORATE CLOSEUP

Soft Sheen Products, the black haircare company, is looking toward diversification into food and housewares to end its dependence on a single product for its success. *See Page 4.*

INTERNATIONAL

Japan's Focus, with its stylized and somewhat racy covers, irreverent pictures and text, is the most-talked-about magazine at the moment in that country. *See Page 54.*

Brazilians, never having seen doughnuts before, refer to Dunkin' Donuts as "little life preservers." *See Page 54.*

Canadian ad agencies and marketing consultants are looking south across the border for expansion and are opening offices in major U.S. markets. *See Page 57.*

VIDEOTECH

College campuses will be receiving Rockworld video rock concert promotions for a second year this fall, as well as a new service from Ohlmeyer Communications. *See Page 68.*

MAGAZINE

Four-wheel-drive cars and trucks are compared with their advertising claims in the latest in the "Marketing on the Road" series. *See Page M-4.*

Retail Marketing: Consumers want value for less, and the new retailer—the pervasive off-price merchant—is quickly winning their attention. *See Page M-9.*

Charlie Brower, a former adman with BBDO, looks back on a 45-year career in the the most recent of the "Benevolent Dictators" interviews with leading advertising figures. *See Page M-34.*

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Sensuality reigns in Remy ads

By GAY JERVEY

NEW YORK—Young trend-setting consumers, already singled out as the target for Remy Martin cognac, now will be targeted in new ads seeking to convey the "sense of Remy."

Importer Remy Martin Amerique will spend roughly $5 million over the next year, primarily in national and regional magazines, as well as outdoor. The current print schedule calls for buys in predominantly upscale, at times narrowly targeted magazines—*American Film, Audubon, Cuisine, Ebony, Esquire, Forbes, Foreign Affairs, Fortune, Geo, Golf Digest, Money, National Review, Natural History, The New Republic, Opera News, Ski, Town & Country, Vanity Fair* and *Vogue*.

The campaign currently sports five copy points: "Savor the sense of Remy," "Arouse your sense of Remy," "Awaken your sense of Remy," "Release your sense of Remy" and "Kindle your sense of Remy."

Visuals feature models, both black and white, shot in profile or semi-silhouette. They gaze at each other—and the glass of cognac—with telling looks. In the corner is

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Four A's

(Continued from Page 1)
count for most of the agencies reporting to the survey, it noted.

The 292 Four A's members represented in the 1982 report showed an average net profit of 3.75% of gross income, up from a 3.67% average among 279 reporting agencies a year earlier.

Agencies reported that of their total expenses last year, 8.47% of gross income, the all-time high, went to pay rent, light and depreciation; 4.40% went for taxes (other than U.S. income taxes), 17.27% went for other operating expenses; 60.79% went for payroll (the same percentage as in 1981 and below the 1980 average of 61.27%); 1.86% went into retirement plan payments (down from 2.29% in '81), and 2.11% was for insurance benefits (up from 1.96% a year earlier).

Mr. Matthews noted that profits as a percentage of gross income have ranged narrowly between 3% and 4% for six of the last 10 years and between 4% and 5% for the remaining four (1976, 1977, 1978, 1979). He explained that profit averages vary by agency size groups, tending to run somewhat higher for the larger agencies. The average profit percentage ranged last year from a low of 2.80% for smaller agencies all the way up to 8.32% of gross income for the larger agency grouping. Average profit as a percentage of billing ranged from 0.43% to a high of 1.35% among reporting agencies.

Insurance payments for employe benefit plans (group life, major medical, disability, etc.) have increased in every year but one since 1950, Four A's reported. Now at 2.11%, another all-time high, this cost amounted to 13/100 of 1% of gross income in 1950. Total expenses in 1982, as a percentage of gross income, came to 94.90%, down slightly from 1981's 95.02% but still the second-highest percentage of the last 10 years.#

4A's member agencies' costs and profits
Ten-year record

Per cent of gross income unless otherwise stated*

Number of agencies represented	1973 240	1974 230	1975 233	1976 231	1977 240	1978 242	1979 265	1980 272	1981 279	1982 292
Rent, light and depreciation	7.29%	7.37%	7.81%	7.36%	7.13%	7.22%	7.64%	7.95%	8.30%	8.47%
Taxes (other than U.S. income)	3.67	3.81	3.84	3.94	4.05	4.11	4.20	4.30	4.40	4.40
Other operating expenses	15.83	16.20	16.52	16.47	16.61	16.89	16.91	17.13	17.28	17.27
Total payroll	64.37	64.11	63.23	61.86	61.41	61.02	60.93	61.27	60.79	60.79
Payments into retirement plans	1.95	2.03	2.00	2.31	2.80	2.32	2.37	2.23	2.29	1.86
Insurance for employee benefit	1.22	1.23	1.44	1.58	1.59	1.71	1.77	1.89	1.96	2.11
Total expenses	94.23	94.75	94.84	93.52	93.59	93.27	93.82	94.77	95.02	94.90
Profit before U.S. income tax for all agencies	5.77	5.25	5.16	6.48	6.41	6.73	6.18	5.23	4.98	5.10
U.S. income taxes	1.51	1.59	1.28	1.71	1.68	1.64	1.34	1.17	1.31	1.35
Net profit	4.26	3.66	3.88	4.77	4.73	5.09	4.84	4.06	3.67	3.75
Profit before U.S. income tax for incorporated agencies	5.70	5.27	5.43	6.38	6.19	6.58	6.01	5.20	4.88	4.73
U.S. income tax for incorporated agencies	1.83	1.84	1.52	1.88	1.83	1.84	1.42	1.25	1.33	1.28
Net profit for incorporated agencies	3.87	3.43	3.91	4.52	4.36	4.74	4.59	3.95	3.55	3.45
Net profit for incorporated agencies *(as percentage of sales—i.e., billing)*	0.82	0.65	0.77	0.97	0.95	0.99	1.03	.92	.83	.85

*Gross income comprises commissions, agencies' service charges, and fees.
Source: Annual studies of advertising agencies' costs and profits conducted by American Association of Advertising Agencies. Figures are averages for agencies of all sizes.

FTC tests questioned

(Continued from Page 2)
system after reviewing the Barclay case, it could trigger a chain of events that might not please cigaret industry leaders R.J. Reynolds Tobacco and Philip Morris USA.

The two companies instigated the FTC action against Barclay two years ago, contending the B&W brand "fooled" the testing machine and deceived consumers who believe all 1mg-tar cigarets deliver roughly the same amount of tar.

Both companies are pressing FTC to make only a minor technical "fix" to the testing machine that would force an increase in tar ratings for B&W's Barclay, but leave the rankings unchanged for other ultralow brands.

Their proposed changes have threatened cigaret industry consensus support for the system, however, with B&W and Liggett & Myers protesting any changes. B&W has countered that if changes are needed, FTC should consider dropping its specific numerical tar ratings in favor of "banding" or labeling all brands in a certain tar range as ultralow or low tar.

Before the Barclay case, FTC had never contended that its tar and nicotine ratings—which created the growth of the booming low and ultralow-tar cigaret categories—represented the actual amounts a consumer smoking a particular brand would receive, FTC general counsel Jack Carley said.

But the FTC had contended the ratings provided comparisons that were nonetheless valuable to consumers seeking a lower-tar brand.

The nicotine research critical of the FTC testing system was gathered by a team from the San Francisco General Hospital Medical Center and other California institutions that studied 15 brands of popular cigarets smoked by 272 people about to begin stop-smoking treatment classes. It was funded by the National Institute on Drug Abuse.

Unlike nicotine, which can be traced through blood analysis, the tar delivered by cigarets cannot be measured in the body.

Low-nicotine cigarets may deliver lower tar levels than high-nicotine cigarets, the San Francisco researchers concluded, but "since the intake of nicotine is not substantially altered by the brand of cigaret, the quantitative benefit [if any] in terms of reduced-tar intake is obviously far less than suggested by cigaret advertisements.

"Advertisements from cigaret manufacturers suggesting that smokers of low-yield cigarets will be exposed to less tar and nicotine are misleading," the researchers argued. "Patients who smoke such cigarets should be so advised."#

New cigaret caper kink

(Continued from Page 2)
able to make up their minds as to what they wanted to do."

The last contact between the agency and L&M was a letter dated July 6, 1982, from John L. Franklin, L&M marketing programs manager. The letter indicated that the "illustrated materials" provided by the agency were being returned because a review of the company's established brands prevented L&M from "properly evaluating the idea."

However, the letter did not mention Dallas; it referred instead to the other cigaret brand idea submitted by Messrs. Solow and Durfee at the meeting. The latter idea has since been submitted to another cigaret company for consideration.

Neither Mr. Franklin nor the other two L&M execs who were said to have been present at the meeting—Hal Grant, vp-sales and marketing, and Don Fish, national advertising and promotion director—could be reached for comment.

L&M previously acknowledged that it had manufactured Dallas Super Lights and shipped a small quantity to a New York tobacco distributor at the behest of London Tobacco, which owns the right to the Dallas name in international markets (AA, July 18).

As a step toward registering the brand name in the U.S., London Tobacco is required to provide proof that Dallas cigarets had been sold at retail. London Tobacco, having introduced Dallas in Saudi Arabia several months ago, said it only wished to register the brand in the U.S., not market it in this country through a subsidiary incorporated in Texas as Dallas Tobacco Co. L&M produced the first shipment of Dallas cigarets for distribution in Saudi Arabia.

Marty Solow and Jim Durfee stressed that they are not accusing Liggett & Myers of anything at this moment. Certainly they hope that an explanation is forthcoming from the nation's sixth-largest tobacco company. But before that happens, they said, they want to huddle with their lawyer. Informed that the agency would seek legal advice, an L&M attorney said it would be inappropriate to comment on the matter.#

Fair to execs: Step right up

(Continued from Page 1)
Cola Co., Miller Brewing, General Electric, GTE, International Business Machines and Trailways.

Sponsors generally will pay from $400,000 to $1 million each, although the rare company that opts to build its own pavilion will pay up to $3 million. In return, their names will appear prominently in the fair pavilions most closely related to their industries. They also will be entitled to bill themselves as the official whatever of the fair—or the Louisiana World Exposition, as the $350 million extravaganza is called.

Some of these corporations will have their own exhibits within the pavilions, although no sales will be permitted.

Organizers expect 11 million visitors to the fair, which will run May through November on an 82-acre site along the Mississippi River in downtown New Orleans.

Theme pavilions will include sports, finance, high technology, energy, aquatic life and aviation. The Space Shuttle Enterprise, on loan from the National Aeronautics & Space Administration, will be the centerpiece of the aviation pavilion. An international pavilion will host exhibits from about 24 countries, including Japan and El Salvador.

Corporations not interested in sponsoring pavilions can become suppliers, as Delta Air Lines has done, or back one of the various entertainment displays, such as the band, fireworks or amphitheater.

Product exclusivity is guaranteed. "We would not have Avis and Hertz or Coke and 7UP or IBM and Xerox. It would be kind of gauche," said Joe Sheehan, vp-account supervisor at McDonald & Little, Atlanta, the fair's primary agency.

"Rivers of the World" is the official fair theme, but the New Orleans setting is much more important for marketing purposes. Consumer advertising will play heavily on the host city's image as "a piece of a foreign country that happens to be in America," Mr. Stack said.

Consumer advertising will break this fall, when a season-pass program will begin in New Orleans followed by the rest of Louisiana. A gradual rollout will wind up with a national campaign peaking in January and February.

Plans for creative themes and media mix are up in the air, pending the study of extensive market research just completed.

Ads in the *New York Times* and *Wall Street Journal* last week pitched the fair's benefits to corporations. Ads will continue in those publications, advertising trade books and elsewhere.

New Orleans' unusual qualities and the fair's emphasis on entertainment contribute to the organizers' confidence of their position in the tourism marketplace. There will be an agent for the fair in the five biggest overseas markets: The U.K., Japan, Canada, Mexico and West Germany.

Organizers have made presentations at "all the major travel conventions," according to Mr. Stack, and "a very extensive program for the travel industry" is already in place to take advantage of that industry's long lead times.

Agency representatives at the Grand Hyatt presentation were noncommittal. "It looks like impressive preparation for what should be a nice event," said Tom Smith, account exec at D'Arcy-MacManus & Masius. "I was a little disappointed by their discussion of the possibilities for corporate involvement—they didn't say much." Mr. Smith said he would report on the presentation to his agency's senior management, but knew of no current plans to involve D'Arcy clients.

Because turnout at the show was light (about half of the 125 invitees showed up), Mr. Sheehan and Mr. Stack are planning presentations to individual agencies.#

Shop switch stirs local ire

NEW ORLEANS—When it comes to assigning ad agency responsibility for the 1984 World's Fair, there is trouble down on the bayou.

According to Ed Haslam, account exec at Fitzgerald Advertising, New Orleans, World's Fair chief executive Petr Spurney originally told Fitzgerald it would retain all ad business for the New Orleans event.

In February, Jeffrey Stack arrived as vp-marketing for the fair. Mr. Stack, a former theme park executive who knew the agencies that specialized in such efforts, had other intentions.

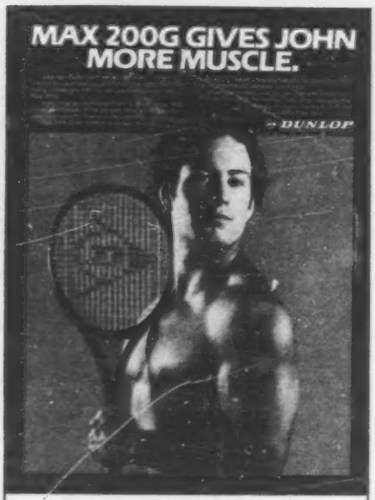
In April, he told Fitzgerald, an agency with $9 million in billings, that he was switching the bulk of the account to McDonald & Little, an Atlanta shop billing $46 million.

"We were surprised, although we're not unhappy, since we feel we still have a good working relationship and a viable role to play," said Mr. Haslam, who is working on the fair.

Others in the New Orleans ad community did not take the move so calmly. A great deal of civic pride is involved in the fair, and organizers have taken care to assign as many contracts as possible to local businesses. So when Mr. Stack made a local agency play second fiddle to an Atlanta shop, the Advertising Club of New Orleans issued a strong protest in an open letter to fair officials and Louisiana Gov. David Treen. The letter appeared in local publications.

Under the current arrangement, Fitzgerald will handle advertising for participating countries and individual entertainment events. McDonald will be responsible for over-all creative direction and national consumer advertising.

But Mr. Haslam remains optimistic: "Our involvement with the fair is very good for our growth prospects. It will open a lot of doors."#—*J.F.*



Mac the Bod ad lifts eyebrows

GREENVILLE, S.C.—Dunlop Sports Co. is attracting the kind of attention off the court that John McEnroe, who endorses its tennis products, generates when he steps between the lines.

The attention is actually being directed at Mr. McEnroe through an upcoming ad created by J. Walter Thompson USA, Atlanta. The ad, headlined,

(Continued on Page 86)

FTC says ad filings light

By STANLEY E. COHEN

WASHINGTON—Federal Trade Commission staffers, poring over public and industry responses to the commission's questionnaire on the broad area of substantiating advertising claims, hope to have recommendations ready by September.

The recommendations will be forwarded to the top level of FTC's bureau of consumer protection, which some time after that will report to the commission members on possible changes in its approach to ad substantiation matters.

One reason staffers think they'll meet a September goal is that the materials that came in by the July 15 deadline in response to the voluntary questionnaire are mostly opinion, and many of these are consistent with prevailing FTC policy (AA, July 18). For example, major advertisers and associations were unanimous in saying FTC should not conduct industrywide substantiation "sweeps," and this practice was abandoned by FTC several years ago. Also, reflecting its awareness of advertising's free-speech rights, FTC already, in practice, follows another of the major recommendations—that, under certain circumstances, advertisers should have greater latitude to support ads with data developed after a claim was made.

By Washington standards, the filings were sparse. Despite the elaborate FTC questionnaire, there were virtually no studies or reports offered of the kind the FTC hoped it would get.

While many of the associations and advertisers agree that chairman James C. Miller III was doing a reasonable thing by calling for a review of a program that has been in place for more than 10 years, the modest number of comments and the restrained rhetoric confirmed the impression that advertisers do not regard the program as burdensome or particularly confusing. There is no evidence of a groundswell of support for anything more than the most modest fine-tuning.

Some networks and major advertisers, supporting a strong FTC substantiation pol-

(Continued on Page 86)

'Houston Post' put up for sale

By TOM BAYER

Houston's lackluster newspaper market is likely to sparkle with great competitive battles next year after the sale of the 98-year-old *Houston Post* is completed.

The family-owned morning newspaper is to be sold because of "tax considerations and changing interests" of the owners, according to a surprise announcement last week.

Tax considerations are presumably inheritance tax liabilities that can be anticipated upon the death of the newspaper's chairman and editor, 78-year-old Oveta Culp Hobby, who actively manages the *Post's* day-to-day affairs. She took over the company in 1964 when her husband died.

Sale of the *Houston Post* will leave the parent company, H&C Communications, Inc., with its broadcast properties: KPRC-TV, Houston; KVOA-TV, Tucson; WTOK-TV, Meridian, Miss.; WTVF-TV, Nashville, and KPRC (am, fm), Houston.

Newspaper analysts listed A.H. Belo Corp., Gannett Co., Times Mirror Co., Washington Post Co., Knight-Ridder Newspapers and Newhouse Newspapers as likely prospects to consider the acquisition, but none of the media companies stepped forward with a public declaration of interest.

John Morton, Washington-based newspaper analyst with Lynch, Jones & Ryan, was quoted as speculating the *Post* would command a price between $175 million and $225 million, making it the nation's most expensive newspaper sale. He estimated *Post* revenues at $160 million in 1982. ADVERTISING AGE lists H&C Communications as the nation's 44th-largest media company, with revenues estimated at $210.8 million.

(No. 2 newspapers are not exactly hot

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Marketer gets head start in aspartame awareness

NutraSweet ads boost Lipton

By SCOTT HUME

Thomas J. Lipton Inc.'s promotion of NutraSweet in its iced tea mix may be giving it a head start in tapping consumer interest in aspartame, comparable to Seven-Up Co.'s early lead in marketing no-caffeine soft drinks.

According to adWatch, a monthly survey of advertising awareness, Lipton's June ads scored the largest gain in consumer awareness of all ads surveyed.

Lipton's awareness increased 4.5 percentage points to 13% of all responses from persons asked to name the coffee or tea advertising that first came to mind.

Lipton on May 30 broke network tv spots for the iced tea mix featuring longtime company spokeswoman, tennis star Chris Evert Lloyd. In those spots, from SSC&B, New York, Ms. Lloyd says Lipton's mix has "No sugar. No saccharin. It's got NutraSweet. NutraSweet has the natural taste of sugar, but it's not artificial like saccharin."

Dolph von Arx, Lipton's senior vp-marketing, said the high

adWatch

awareness score was reflected in strong June sales for the aspartame-sweetened mix. He said the company expects continuing favorable consumer reception of the sweetener to result in wider usage.

"We were fortunate in leading the tea segment in [to the aspartame market], and so far we don't have any competitors on the shelves," he said. "But I'm sure we'll see some competition by next year. Sales have been so good we've had trouble keeping the product on shelves."

Mr. von Arx said a similar pattern of consumer demand has developed for Equal, Searle's tabletop aspartame sweetener, which Lipton distributes.

He added that the cumulative effect of Searle's generic advertising for aspartame and brand support for Equal, coupled with the ad dollars being spent by Lipton, General Foods (for Sugar Free Kool-Aid, Country Time lemonade and Crystal Light), Borden (Sugar Free Wyler's Drink Mix), Quaker Oats (Halfsies cereal) and others in support of individual items sweetened with aspartame, will continue to build awareness and demand.

While Lipton's 13% mark in

(Continued on Page 85)

world news roundup

MANILA—Beecham is suing Colgate-Palmolive for copyright infringement of Beecham's Aqua-fresh toothpaste. Beecham claims Colgate's fluoride-striped Fresh Plus name and package, which has been selling in the Philippines since 1981, has a "confusing similarity" to Aqua-fresh, which is not sold here. The Philippine supreme court likely will decide the case later this year.

FRANKFURT—Honda Germany moved its $6 million passenger car account to Ted Bates Werbeagentur from Ad 'Age, Hamburg.

SYDNEY—G.D. Searle & Co. is launching aspartame-based sugar substitute Equal here this week with a $1.7 million campaign via USP Needham. But next month Coca-Cola Co. is launching Diet Coke with a combination of saccharin and cyclamates as sweeteners.

MEXICO CITY—McDonald's Corp. will make its first entry into Mexico in 1984 with restaurants opening in Mexico City, Guadalajara and Monterrey. Ads aimed at potential franchise owners start this week through Noble y Asociados here.

LONDON—Rupert Murdoch's London Times showed a 12% circulation increase for the first six months of 1983 compared with year-earlier figures. Circulation now stands at 336,189, up from less than 300,000 when he bought the paper in 1981.

Cosmetics chase older consumers

By PAT SLOAN

NEW YORK—Revlon Inc. has signed the premier machinator of ABC's "Dynasty," Joan Collins, as advertising spokeswoman for its Scoundrel fragrance (AA, June 13). While her age is not likely to be discussed in the Scoundrel ads from Grey Advertising, Ms. Collins has admitted to being in her 50s.

At cosmetics rival Germaine Monteil, executives are publicly searching for an over-40 noncelebrity, nonprofessional model who will lend her face to a new print campaign for Supplegen Instant Action Firmer skin treatment.

As the baby boomers find their first gray hairs, advertisers, it seems, are finally trusting not just faces over 30 but faces that haven't seen 30 in years to sell their glamor products.

Since June, French actress Catherine Deneuve has been appearing for American Home Products' Whitehall Laboratories in network tv and national print ads for Youth Garde, the new moisturizer for America's aging masses that is taking aim at Richardson-Vicks' Oil of Olay (AA, June 27).

In her first advertising work in this country since she parted with Chanel more than four years ago, Ms. Deneuve talks about something she usually avoids. Looking squarely into the camera, she reveals that

(Continued on Page 77)

While Germaine Monteil conducts a search for an over-40 nonprofessional model to tout Supplegen Instant Action Firmer this fall, Whitehall Labs has Catherine Deneuve (for Youth Garde) noting in tv spots that getting older can be beautiful.

Lipton ads

(Continued from Page 3)

June was the highest share of consumer responses it has posted since adWatch was inaugurated in April, 1982, it was not enough to move the company up from the third-place position it had held in May.

Folger's, which had been the most-often-mentioned advertiser in the category every month since September, suffered a decline of 4.9 percentage points in June to a 15.6% share of the responses and fell to the second spot.

Maxwell House took first place with a gain of 1.7 percentage points to 17.6% of total mentions. Under adWatch methodology, a change of 2.8 points is considered statistically significant, attributable to more than variations in the sample itself.

Although 7UP's original "no-caffeine" campaign may have significantly increased the brand's awareness among consumers, the "no additives" extension of that campaign, launched the second week of June, has not provided a comparable awareness boost.

Despite heavy backing, 7UP's share of total mentions last month rose only 1 point to 7.7%. Coca-Cola remained on top, dipping slightly to 25.3%, and Pepsi-Cola held on at No. 2, closing the gap slightly with a 1.5 point rise to 22.3%.

AdWatch is a joint project of Advertising Age and SRI Research Center, Lincoln, Neb. Advertising awareness is measured by asking a national random sample of consumers to identify the advertising that first comes to mind of all they have seen or heard in the previous 30 days for a number of product categories.

The survey has been conducted monthly for 15 months. Last month, 1,250 persons were questioned by telephone from June 1 through June 21.

Also of note last month was the first appearance of Sterling Drug's Panadol nonaspirin pain reliever among the top five advertisers mentioned in the **medicine & drugs** category.

A $15 million campaign introducing the product in the U.S. broke April 18. Panadol's 2.7% share of all responses in the category was enough for it to dislodge Bufferin as No. 5 in awareness.

Ad budgets for other pain relievers, including Sterling's Bayer and Maximum Bayer lines, have been increased, and the top four advertisers in the category retained the spots they held in May.

Although posting a 3.9 point decline from May to June, Tylenol continues to dominate in awareness with a 30% share. Anacin held its No. 2 spot with a 1 point rise to 6.3%, and No. 3 Bayer (5%) and No. 4 Excedrin (3.9%) posted gains of less than a point each.

Also making its first appearance in the June survey was Commodore in the **home electronics** category. Commodore was mentioned by 2.2% of those responding, good enough for the No. 5 spot, even though it broke no new advertising during the month. Mattel's heavily promoted offer of a color tv for $99 with the purchase of its Aquarius home computer did not seem to register with the adWatch survey respondents.

Atari, No. 1 since the survey began, continued in that position in June with 15.6% of total advertiser mentions in the category. Apple and Texas Instruments continued as No. 2 and No. 3 in mentions, respectively, for the fourth consecutive month.

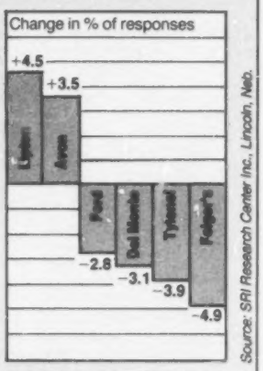
In other categories last month:

- "The Force" did not appear to be with Burger King last month. Despite heavy promotion for its "Return of the Jedi" glassware premium, Burger King failed to close the gap with consistent front-runner McDonald's in the **fast-food** category. While Burger King rose 1.7 points to 18% of total mentions last month, McDonald's awareness was up 2.3 points to 44.6%.
- Avon's 3.5 point rise to 7.5% put it atop the **cosmetics & fragrances** category for the first time since March, unseating Charlie, which fell from 4.6% in May to 2.4% and No. 6 last month. Maybelline's 1.2 point jump to 5.1% in June moved it to No. 2 in the closely contested category. Revlon held on to No. 3 with 3.6%.#

For more information, contact Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

Winners & losers
June

Question: Of all the advertising for (product category) you've read, seen or heard in the past 30 days, which ad first comes to mind?



Note: A change of plus or minus 2.8 points is statistically significant.

Red ink perils 'Progressive'

Madison, Wis.—*Progressive* is in danger of folding, after 74 years of publication, unless it can pay its debts. Failure to raise money by Labor Day would mean "it would be extremely difficult to keep going," said Erwin Knoll, editor of the leftist monthly. "I hate to even think about it."

While its circulation of 50,000 "has never been higher," said Mr. Knoll, steadily rising costs, coupled with reader contributions falling off "rather severely," have resulted in $150,000 worth of red ink.

The magazine is doing "everything we can think of" to raise funds, he said, including mailings and calls to regular contributors. "While the number of contributors has remained steady," he said, "or increased a little, the size of the average contribution has declined."

Progressive depends to a large degree on contributions because of its relative paucity of ad revenues: $13,000 last year, out of a total operating income of about $730,000. Ads are mostly for books and classified listings.#

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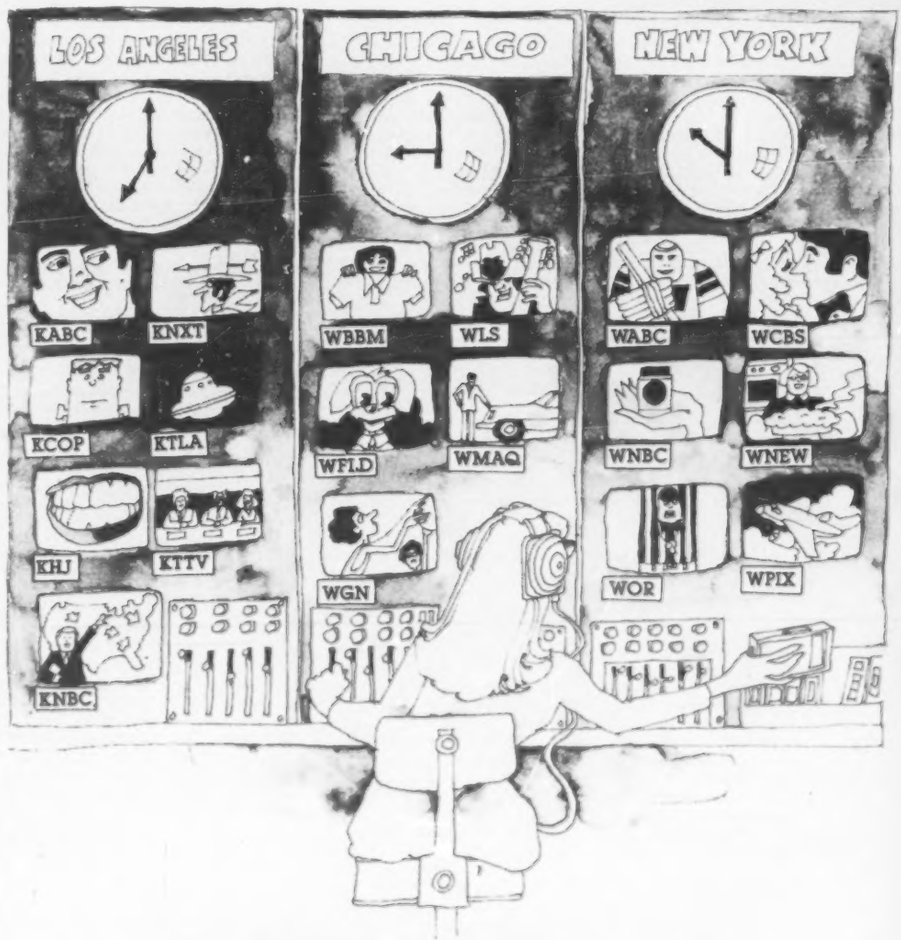

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